



Hon. Robert T. Matsui

Member of Congress

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Robert T. Matsui

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MATSUI STATEMENT ON NEW CBO BUDGET FORECAST

WASHINGTON, D.C. – Congressman Robert T. Matsui (D-Sacramento) issued the following statement today on the new budget forecast by the non-partisan Congressional Budget Office (CBO). The CBO predicted a record deficit of \$477 billion for the fiscal year 2005 – significantly larger than last year's deficit of \$375 billion.

“Unfortunately, today’s budget projection by the CBO comes as no surprise. When President Bush took office in 2001, we had a record projected 10-year surplus of \$5.6 trillion. Now that surplus has become a record projected deficit of \$2.9 trillion. That’s an economic backslide of \$8.5 trillion.

“But today’s forecast doesn’t even give the full picture. The President has repeatedly called for making his ill-advised tax cuts permanent. If these tax cuts are made permanent, the deficit will soar to over \$5 trillion.

“In addition, these projections use the Social Security surplus to mask the real size of the deficit and the President’s only proposal regarding Social Security would take more than \$1 trillion out of the system to set up private accounts. Shifting funds out of Social Security will cause large benefit cuts for current and future retirees, and exacerbate the deficits even further.

“The President’s misguided economic policies are a recipe for disaster. His efforts to make the tax cuts permanent, spend the Social Security surplus, and his on-going disregard for fiscal responsibility have created the worst budget deficits in our nation’s history.”

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